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NAVAL POSTGRADUATE SCHOOL

Monterey , California



THESIS

A DICTIONARY OF ACQUISITION AND
CONTRACTING TERMS

by

Jon F. Cotters

December, 1991

Thesis Advisor:

David V. Lamm

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A Dictionary of
Acquisition and Contracting Terms

by

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Submitted in partial fulfillment
of the requirements for the degree of

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from the

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December 1991

ABSTRACT

This thesis is a continuation of research initiated by Lieutenant Commander Daniel F. Ryan, SC, USN to establish a basis for defining words and terms used in the field of contracting. The 20 terms defined in this thesis were selected from a master list of contracting/procurement terms compiled by previous researchers. The methodology used to reach a consensus definition was to: (1) synthesize a definition from current published sources, (2) validate these definitions through an opinion survey of a selected group of contracting professionals, and (3) finalize definitions based on a consensus from all sources. Students at the Naval Postgraduate School, Monterey, CA and The Air Force Institute of Technology, Wright-Patterson Air Force Base, Dayton, OH are conducting concurrent research on this topic.

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I. INTRODUCTION

A. BACKGROUND

This thesis is part of a continuing effort by graduate students at the Naval Postgraduate School (NPS), Monterey, CA and the Air Force Institute of Technology (AFIT), Wright-Patterson Air Force Base, Dayton, OH to develop a Dictionary of Acquisition and Contracting Terms. Initiated in 1988 by Lieutenant Commander Daniel F. Ryan, SC, USN, this research effort will continue to focus on the consensus validation of synthesized definitions for incorporation into a final published dictionary. This research and dissemination of the consolidated findings to the contracting community are sanctioned by the National Contract Management Association (NCMA).

The need to reduce confusion in the contracting discipline through establishment of a common language is widely recognized and fundamental to the continued growth of this profession. This thesis is a contribution to that ideal. In his thesis, A Dictionary of Acquisition and Contracting Terms, Lieutenant Commander Ryan stated the following:

A basic requirement...of a discipline is the establishment and the recording of the meaning of the vocabulary used to conduct everyday business. The lack of such definitization in DOD and the Federal Government contracting has lead to confusion at best. [Ref. 1:p. 7]

While there presently exists publications containing

contracting definitions, these are limited in scope and have not been validated through a process of nationwide professional critique. The "tested" definitions resulting from the research efforts conducted at the Naval Postgraduate School and the Air Force Institute of Technology will aid the development of a common language and serve as a tool for the education of the contracting work force.

B. SCOPE AND ASSUMPTIONS

The scope of this thesis is to validate the definitions for 20 terms selected from the Master List of Acquisition and Contracting Terms. These terms are to be included in a published Dictionary of Acquisition and Contracting Terms, the assumption being that a consensus agreement on the specific meaning of many terms used in contracting does not presently exist among contracting professionals. Such an authoritative source of widely acceptable definitions would aid in the professionalization of the contracting field. This thesis continues the assumption that a consensus among professionals is the best method of arriving at an acceptable definition. Any other method would result in an arguably biased product. [Ref. 1:p. 8]

C. RESEARCH QUESTIONS AND BENEFITS

This thesis is a continuation of previous research and will therefore use the same research question addressed by

those previous research efforts. The primary question is:
To what extent can standard meanings be arrived at in the
evolving field of contracting in which words are used with
various meanings? [Ref. 1:p. 8]

The supporting subsidiary research questions are:

- * What are the current published definitions?
- * What agreement can be reached from professionals in the field?
- * What definition of terms can be concluded from research and feedback?
- * What is the present usage in current contract text?

[Ref. 2:p. 3]

Four benefits of this research effort are readily identifiable. They are:

- * A contribution to the continued movement toward the realization of a much needed comprehensive contracting dictionary.
- * An educational tool which will have an impact on the training and competence level of new contracting personnel.
- * A reference tool for all those in the acquisition and contracting field. [Ref. 2:p. 3]
- * A forum for dialogue between researchers and contract professionals on the subject of a discipline-wide concern.

D. RESEARCH METHODOLOGY

A qualitative methodology was employed, having proven its effectiveness in previous research efforts. It included a literature review, personal observations, a questionnaire, and the researcher's personal experience with the contracting discipline. [Ref. 3:p. 5-6]

The methodology used was as follows:

- * Select 20 candidate terms from the Master List of Acquisition and Contracting Terms provided by previous research.
- * Research contracting literature, case law, and regulations for published definitions and common usage of the candidate terms.
- * Synthesize the published definitions into a single working definition for each term and organize these into four separate questionnaires of five terms each.
- * Mail out the questionnaires to four hundred Certified Professional Contracts Managers/Certified Associate Contracts Managers in four separate mailings of one hundred each.
- * Analyze questionnaire responses and arrive at proposed definitions for the candidate terms. [Ref. 2:p. 4]

The Master List of Acquisition and Contracting Terms was initially developed and proposed by Captain William Hauf, USAF. It presently identifies over 400 unique contracting terms. The continuing effort to shape this list into the

comprehensive Dictionary of Acquisition and Contracting Terms has involved the research efforts of twelve graduate students at NPS and AFIT. The 20 undefined terms from this master list selected for this thesis were:

- * Agent
- * Agreement
- * Arbitrary and Capricious
- * Bidder
- * Buyer
- * Consultant
- * Deviation
- * Head of Contracting Activity (HCA)
- * Industrial Plant Equipment (IPE)
- * Justification and Approval (J&A)
- * Latent Defect
- * Logistics
- * Patent Defect
- * Prime Contractor
- * Procuring Contracting Officer (PCO)
- * Qualified Products List (QPL)
- * Sole Source
- * Subcontractor
- * Vendor
- * Waiver

The definition source review used in this thesis to synthesize definitions for the candidate terms was similar to

previous efforts. The survey method was also similar with the exception that, unlike questionnaires from previous efforts, a requested response date was included in the survey cover letter and a follow-up letter was not used. The survey response rate for this effort was somewhat less than previous surveys, however, the large quantity and the quality of comments evoked by the surveys were considered adequate for establishing a consensus of opinion. The overall response rate achieved from the four hundred questionnaires was 40%. Individual response rates for questionnaires one through four were 37%, 41%, 38%, and 42% respectively. [Ref. 3:p. 7]

The rationale for using a written questionnaire as opposed to a large scale telephone survey to support this research effort remains valid, as in previous efforts. [Ref. 1:p. 14]

This research effort also continued the practice of limiting to five the number of terms each respondent was requested to answer. [Ref. 2:p. 6]

As the result of reader responses received after the publishing of the first installment of A Dictionary of Contracting Terms, by Dr. David V. Lamm, CPCM, and Dr. William C. Pursch, CPCM, in the May 1991 edition of Contract Management, this researcher became aware that term's synonyms and antonyms were areas of great controversy. Therefore, unlike previous surveys, proposed synonyms and antonyms, based on research, were included in the distributed surveys.

This allows validation of this facet of a term's definition to be arrived at through professional consensus.

E. ORGANIZATION OF THE STUDY

Chapter I provided the introduction to this thesis. It reaffirmed the need for a comprehensive dictionary of acquisition and contracting terms, described the methodology used in the thesis, listed the terms to be defined, and indicated the benefits to be realized from the research effort. Chapter II reports the research findings resulting from an analysis of the terms and responses to proposed definitions. Chapter III contains conclusions, recommendations, answers to the research questions and suggested areas for further research.

II. ANALYSIS OF TERMS

A. INTRODUCTION

This chapter presents the 20 candidate terms and an analysis of, (1) the definition synthesization process including synonyms/antonyms, (2) the comments of survey respondents, and (3) modifications to proposed final definitions. For the most part, modifications were minor and were justified by enhancing the clarity of the proposed definition without compromising the original intent or consensus definition.

B. TERM ANALYSIS

1. Agent

a. Definition Synthesis:

Six sources were consulted in the synthesis of this definition. The subtle differences in the source definitions made it evident that "agent" covers a wide range of application. However, because of the similarity of intent expressed in the majority of sources it was not a difficult process. The definition as synthesized was:

AGENT: A person authorized by a principal to deal with third persons and to affect the principal's contractual relations with third persons, subject to the principal's right to control the manner of the agent's performance.

Synonyms: Broker, Deputy, Attorney.

Antonyms: None.

b. Results:

The high rate of agreement (86%) by the respondents

with the survey definition indicated its ability to reflect the contracting professional's conception of this term. Twenty-two of 37 respondents agreed with the definition as presented without comment. An additional 10 agreed while offering comments. The remaining five disagreed with the synthesized definition and provided comments. The remarks of those who chose to comment (41%) centered on what many respondents felt was the implication that the principal had the right and authority to control the agent's actions after the fact. Comments received included:

- * It appears the principal has veto power over the agent's action. I believe that this is false. The principal instructs the agent, the agent deals with the third party and the deal is done.
- * Does not touch cases of agents acting beyond authorization limits or perceptions of authorization.
- * Attorney is too broad a term.
- * The word "attorney" generally is used to mean "attorney at law" and should not be used as a synonym.

Survey results indicated that the difference between private and governmental agent's post agreement control by the principal must be addressed in this term's definition. While private sector agents can bind their principals to an agreement, even when acting beyond their authority, the Government is not bound by the unauthorized actions of it's agents.

c. Proposed definition based upon responses:

AGENT: A person who is authorized to act on behalf of a principal and contractually (legally) bind the principal in business transactions; subject to limitations imposed by the principal. In the case of the Government, unauthorized commitments by its agents are not binding.

* **Synonyms:** Broker, Deputy.

* **Antonyms:** Free agent.

2. Agreement

a. Definition synthesis:

Eight sources were consulted in the synthesis of this term's definition. The of variety situations covered by the sources made synthesis somewhat difficult. It was necessary to distill the essence of the term from several sources which were either abbreviated or verbose. The definition as synthesized was:

AGREEMENT: The written or oral intention of two or more persons to enter into an arrangement with one another which is either an informal arrangement without consideration or a formal legal arrangement (contract) supported by consideration.

Synonyms: Arrangement, Accord, Consent.

Antonyms: Disagreement, Inequality.

b. Results:

Agreement by the respondents with the synthesized definition was high (81%). Respondent comment rate was good (51%) and evidenced considerable depth of thought. Eighteen of 37 respondents agreed with the survey definition without comment, 12 others agreed while providing comment, and six disagreed with the definition provided and included comments. Respondents expressed concern with the definition's apparent

neglect of the categories "informal arrangement with consideration" and "formal arrangement without consideration." There was also considerable comment on the appropriateness of the provided synonyms and antonyms.

Comments received included:

- * An agreement is bilateral.
- * I'm not sure the broad term "agreement" is very significant in the contractor community given other terms which are more precise.
- * Why not informal with consideration?
- * I would delete the word "contract" because I think it is different than an agreement. If it were the same, why isn't "contract" listed as a synonym?
- * What about a blanket purchase agreement, which is a formal agreement but has no consideration?
- * What about a basic ordering agreement and the inter-agency agreement? Formal arrangements without consideration.
- * I do not believe "inequality" is an antonym. It really has nothing to do with whether or not an agreement exists or doesn't.

The responses indicate a considerable difference of opinion among contracting professionals with the words "consideration" and "contract" as used in the definition. Consideration is the "something of value" that the seller receives for his/her product or service. "Contract" is a

subset of agreement which is formalized and must involve consideration for each party in order to be classified a contract. Only minor adjustments are considered necessary to provide clarification.

c. Proposed definition based upon responses:

AGREEMENT:

The written or oral intention of two or more parties to enter into an arrangement with one another which is in the form of either an informal arrangement, with or without consideration, or a formal legal arrangement (contract) supported by consideration.

* Synonyms: Accord, Understanding.

* Antonyms: Disagreement.

3. Arbitrary and capricious

a. Definition synthesis:

Five sources were used to arrive at this term's synthesized definition. Some difficulty was encountered with this term. The term is frequently found in the legal literature, but the two words are rarely defined as a single term. The definition as synthesized was:

ARBITRARY AND CAPRICIOUS: A determination contingent solely upon one's discretion, willfully made with irrational disregard of facts or circumstances.

Synonyms: Erratic, Injudicious.

Antonyms: Judicious, Considered.

b. Results:

Agreement with the synthesized definition was high (78 %) and the rate of comment was low (35 %). Twenty-four of 37 respondents agreed with the definition as synthesized without comment. An additional five agreed while expressing

comments and eight disagreed for one reason or another. The comments received were general in nature and not directed at any one criticism. Most comments dealt with the addition and /or rearrangement of words or phrases to satisfy a respondents preference. Comments received included:

- * I question the intent to be irrational.
- * Arbitrary and capricious acts do not always result in determinations.
- * Add ... "an action that a prudent person would not take in a similar circumstance."
- * Change to "A determination 'reached' solely ... "
- * Change irrational to "... willfully and unreasonably made without consideration or in disregard of facts or circumstances."

The questionnaire responses indicate that while the synthesized definition conveys the consensus understanding of this term's meaning, there should be improvements made in the definition's verbal construction.

c. Proposed definition based upon responses:

ARBITRARY AND CAPRICIOUS:

A discretionary decision made with irrational disregard for or willful ignorance of the actual facts or circumstances.

- * **Synonyms:** Erratic, Injudicious.
- * **Antonyms:** Judicious, Considered.

4. Bidder

a. Definition synthesis:

Four sources were used in the synthesis of this term's definition. All of the sources presented definitions which were concise and similar in meaning. The decision was made to define this term as it applies to contracting in general and then as it is specifically applied in Government contracting. The definition as synthesized was:

BIDDER: (Gen) One who makes a bid. One who offers to pay a specific price for an article offered for sale at a public auction or to perform a certain contract for a specific price. (Gov) Any offeror bidding pursuant to an invitation for bids (IFB) or a request for proposal (RFP).

Synonyms: Offeror, Applicant.

Antonyms: Seller.

b. Results:

Agreement with the synthesized definition was good (76%) with a significant percentage of respondents providing comments (49%). Nineteen of 37 respondents agreed with the survey definition without comment. Of the remaining 18 who provided comment, nine disagreed with the definition as presented. Sixty percent of those providing comments took exception to the term "bidder" being used in conjunction with a request for proposal (RFP). They pointed out that the proper term for one who responds to an RFP is "offeror or proposer." There was little comment concerning the general definition. Several others pointed out that the public perception of bidder was as a buyer while in Government

procurement the bidder was a seller. Comments received included:

- * Contract terminology never calls a respondent to an RFP a bidder, rather, always an offeror.
- * Prefer offeror to bidder.
- * For RFPs (FAR part 15) they use the terms "offeror" and "prospective contractor" rather than bidder.
- * We use proposer to denote a bidder on an RFP.
- * In Government circles "seller" is frequently used as a synonym for bidder.

In order to keep this term's definition within the contracting frame of reference, the general definition will be dropped to prevent confusion. A revised Government definition will be used which does not contain reference to a RFP.

c. Proposed definition based upon responses:

BIDDER:

A firm offering to sell goods or services to a buyer in response to a solicitation.

- * **Synonyms:** Seller, Proposer.
- * **Antonyms:** Buyer.

5. Buyer

a. Definition synthesis:

Five sources were used to synthesize this term's definition. The term "buyer" was not difficult to synthesize because most sources presented similar definitions. The definition as synthesized was:

BUYER: An assistant to a purchasing manager or contracting officer, generally responsible for processing bids and conducting negotiations with vendors; normally recommends procurement actions, but is not authorized to award contracts.

Synonyms: Purchaser.

Antonyms: Seller.

b. Results:

Agreement with the synthesized definition was high (71%) as was the volume of comment (51%). Twenty of 41 respondents agreed without comment. An additional nine agreed and 12 disagreed while providing comments. All comments were focused on two areas: (1) buyers both in and out of Government are often authorized to award contracts up to the small purchase limit, and (2) the term "buyer" has been replaced in most cases by "contract specialist" in Government. Comments received included:

- * In Government, buyer normally denotes small purchase (< \$25K); individuals processing > \$25K actions normally are called a contract negotiator or contract specialist.
- * A buyer also may be called a contract administrator.
- * Assistant implies one buyer to one purchasing manager or contracting officer. In industry, you can have departments of buyers consisting of many buyers.
- * Some companies permit their buyers to award small dollar (< \$25K) contracts.
- * ...some people would like to eliminate the term buyer, but have not come up with a suitable alternative.

- * On the Federal Government side, a buyer is now termed a contract specialist. They can perform all the duties of a contracting officer, except committing the Government to contracts by actually signing of the contract.

The survey results clearly indicate that the consensus opinion is that the proposed definition is too narrow with respect to a buyer's role in awarding contracts.

c. Proposed definition based upon responses:

BUYER:

(1) As a role or function: An assistant to a purchasing manager or contracting officer, generally responsible for processing bids and conducting negotiations with sellers; normally recommends procurement actions on large dollar procurement actions while having limited authority to award small dollar contracts.

(2) As an entity in the buyer-seller relationship: One who buys or contracts to buy goods/services.

- * **Synonyms:** Procurement specialist, contract specialist.

- * **Antonyms:** Seller.

6. Consultant

a. Definition synthesis:

Although there were very few sources (3) available which dealt with this term, the definitions found were essentially the same. The synthesized definition was:

CONSULTANT: A person having education and/or experience which uniquely qualifies them to be called upon to furnish expert advice on highly specialized matters and on the solution of particular problems.

Synonyms: Advisor.

Antonyms: None.

b. Results:

The synthesized definition generated the lowest percentage of comment (24%) and by far the greatest agreement (95%) among respondents of any of the 20 terms in this thesis. Thirty-one of 41 respondents agreed with the survey definition without comment. Eight respondents concurred with only minor comments and two disagreed with the definition as presented. All the comments received made the point that the consultant's education must be specialized or pertinent and the experience must also be specialized and in depth. Comments received included:

- * A general education is insufficient to enter a business field such as contracting. Substantial knowledge represents a wide spectrum. In depth or broad experience is necessary for problem solving.
- * A certain type of education or experience makes a person unique.
- * A consultant is a person having a "recognized" education and/or "specialized" experience.
- * Also could be a firm. Many consultants incorporate and operate under the firm rather than as individuals.

The unanimity of the comments indicate that there is a need to focus the definition with respect to education and experience in order to provide a more clear understanding of the requirements necessary to qualify as a consultant.

c. Proposed definition based upon responses:

CONSULTANT:

A person having specialized education and/or broad experience which uniquely qualifies them to be called upon to furnish expert advice on highly specialized matters and recommend solutions to particular problems.

* **Synonyms:** Advisor, Expert, Subject Matter Expert (SME).

* **Antonyms:** None.

7. Deviation

a. Definition synthesis:

Five sources were available for the synthesis of this term's definition. All sources defined "deviation" in essentially the same way. The definition as synthesized was:

DEVIATION: A specific written authorization, granted prior to the manufacture of the item involved, to depart from a particular performance or design requirement of a contract, specification, or a referenced document for a specific number of units or a specific period of time.
Synonyms: Alteration, Departure, Change.
Antonyms: Continence.

b. Results:

Agreement with the synthesized definition (68%) was high enough to indicate its acceptance as a valid definition for the term. Analysis of the high level of comments (54%) revealed that many respondents would have used the term "deviation" to cover situations where "waiver" and "engineering change" apply. There appears to be considerable confusion about the proper application of the three terms. Additionally, several respondents pointed out that the definition as written should be expanded to include services.

Nineteen of 41 respondents agreed with the definition as written. Of those providing comment, nine agreed with the definition and 13 did not. Comments received included:

- * Delete reference to "manufacture of an item." A deviation could apply to supplies and/or services.
- * Sometimes used synonymously with "waiver."
- * Deviation could also be granted during the prototype phase of a development effort, not restricted to manufacturing only.
- * Sometimes granted after manufacturing has begun?
- * Change to "A specific written authorization granted prior to delivery of the item involved."
- * A deviation is not restricted to before the fact, could be after the fact.
- * Not always granted prior-commonly occurs after manufacture when item doesn't pass test.

The comments clearly show the need for a more universal understanding of the limited application of "deviation."

c. Proposed definition based upon responses:

DEVIATION:

A specific written authorization to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, specification or a referenced document for a specific number of units or a specific period of time.

- * **Synonyms:** Alteration, Departure.
- * **Antonyms:** None.

8. Head of contracting activity (HCA)

a. Definition synthesis:

Four sources were consulted in the synthesis of this term's definition. All source definitions were similar in meaning with only minor differences. The definition as synthesized was:

HEAD OF CONTRACTING ACTIVITY (HCA): The agency head or delegated official authorized to contract for supplies and services, who has the responsibility for supervision and direction of the procuring/contracting activity.

Synonyms: None.

Antonyms: None.

b. Results:

The synthesized definition resulted in a very high degree of agreement (90%), but only a fair amount of comment (37%). Twenty-six of 41 respondents agreed with the synthesized definition without comment. Eleven agreed with comment while four disagreed. The majority of comments indicated that, as the researcher had suspected, two components of the definition, agency head and activity, were the source of confusion. Comments received included:

- * HCA normally oversees contracting officers or higher.
- * Does "activity" refer to an organization or the procurement process? If an organization, many HCAs are responsible for more than their own (ie. all subordinate activities under them).
- * Suggest "policy" be substituted for activity.
- * Head of Agency does not supervise contracting activity

directly.

- * Have you ever played the Game "let's figure out who is the agency head (ie. the head of the contracting activity).

Although the words "agency" and "activity" were a source of confusion for a small number of respondents, it would be impractical to explain them in this term's definition.

c. Proposed definition based upon responses:

HEAD OF CONTRACTING ACTIVITY (HCA):

The Government agency head or delegated official, authorized to contract for supplies and services, who has the ultimate responsibility for supervision and direction of the procuring/contracting activity.

* Synonyms: Director of contracts.

* Antonyms: None.

9. Industrial Plant Equipment (IPE)

a. Definition synthesis:

Three sources were used to synthesize this term's definition. All sources provided the exact same definition. The definition as synthesized was:

INDUSTRIAL PLANT EQUIPMENT (IPE): That part of planned equipment, exceeding defined acquisition cost thresholds, used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating or otherwise altering the physical, electrical or chemical properties of materials, components or other end items entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations.

Synonyms: None.

Antonyms: None.

b. Results:

Agreement with the synthesized definition was much lower than expected (69%) and the rate of respondent comment was higher (45%). Twenty-one of 38 respondents agreed with the definition without comment. Five respondents agreed with the definition, but felt the need to comment on some minor point. Twelve respondents (32%) disagreed with the definition. This amount of disagreement was a surprise! The synthesized definition has been the DOD standard for over six years. All sources cited were in exact agreement. The comments received makes it clear that the source of confusion was the phrase "exceeding defined acquisition cost thresholds." In the Government application, IPE is paid for by Other Procurement, (Service) appropriated funds (over \$15K). No similar obstacle exists in private sector contracting. The synthesized definition of this term is meant to apply to the Government procurement situation only. Comments received included:

- * "Not part of plant structure" should be added to differentiate from certain installed equipment that is nonserviceable, (ie. overhead railway, materials handling systems, etc.).
- * What about microprocessor equipment or optical coating equipment.
- * Delete "that part of planned" equipment and "exceeding defined acquisition cost thresholds."

- * Suggest keeping definition to the point of what is IPE and not how it is procured.
- * IPE should have the general definition of plant equipment used in the industrial process.
- * Take out the reference to acquisition cost.
- * Remove the word "industrial."

The proposed definition was changed to clarify its intended application to Government procurement.

c. Proposed definition based upon responses:

INDUSTRIAL PLANT EQUIPMENT (IPE):

Plant equipment acquired by the Government, exceeding an established acquisition cost threshold, used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating or otherwise altering the physical, electrical or chemical properties of materials, components or other end items entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations.

- * Synonyms: None.
- * Antonyms: None.

10. Justification and Approval (J&A)

a. Definition synthesis:

It was difficult to synthesize a definition for this term. Over 17 sources were consulted without finding a complete definition. The synthesized definition was the product of a distillation of multiple paragraphs describing the circumstances under which a J&A is required. The definition as synthesized was:

JUSTIFICATION AND APPROVAL (J&A): A written document approved and signed by an authorized Government official

justifying a decision by technical and requirements personnel recommending other than full and open competition for a procurement action.

Synonyms: None.

Antonyms: None.

b. Results:

In view of the scarcity of sources, Agreement with the synthesized definition (68%) was considered high. A high number of respondents (50%) added comments to their surveys. Nineteen of 38 respondents agreed with the definition without comment. Of those providing comments seven agreed with the definition and 12 disagreed. Comments centered on: (1) the definition implied that technical and requirements personnel were making the "decision" to accept other than full and open competition, and (2) the reluctance of some to accept a J&A definition without reference to sole source. The first area of criticism is considered a valid point of confusion. The second is less valid. As explained in the Federal Acquisition Regulation, subpart 6.3, it is possible to have a situation which requires a J&A because of other than full and open competition, but which is not a sole source requirement. Comments received included:

- * Say "sole source" justification, don't make it painful and difficult.
- * Technical and requirements personnel may recommend, but the authorization decision is not theirs.
- * "Written document" appears redundant.
- * Government requirement-not applicable to industry.

- * Suggest "Sole Source Justification and Approval" for the title.

The proposed definition is revised to enhance clarity.

c. Proposed definition based upon responses:

JUSTIFICATION AND APPROVAL (J&A):

A document, approved by an authorized Government procurement official, permitting other than full and open competition for a procurement action based on the recommendations of technical, requirements, contracting and other similar acquisition personnel.

* Synonyms: None.

* Antonyms: None.

11. Latent Defect

a. Definition synthesis:

Four sources were consulted for the synthesis of this term's definition. All sources defined "latent defect" in essentially the same manner, with a differentiation between general and Government applications. Expectations were that the acceptance of the survey definition would be high. The definition as synthesized was:

LATENT DEFECT: (Gen) A defect that is hidden from the knowledge as well as from the sight and which could not be discovered by ordinary and reasonable inspection.

(Gov) A flaw or other imperfection in an article discovered after delivery to the Government, normally not detected by examination or routine test.

Synonyms: Concealed, Hidden.

Antonyms: Patent

b. Results:

Agreement with the synthesized definition by respondents was high (79%) and the rate of comment was

moderate (40%). Twenty-three of 38 respondents agreed with the definition as synthesized without comment. Seven respondents agreed, but provided suggestions while an additional eight respondents disagreed with the synthesized definition and provided their rationale in their comments. Comments received focused on three areas: (1) the survey's definition should have been oriented toward the defect's possibility of being detected rather than its actual detection, (2) the condition of "latent" is dependent on acceptance by the Government rather than merely delivery, and (3) the term "reasonable inspection" was for both general and Government definitions. The respondents' opinions in all three of these areas were judged to be valid. The proposed definition reflects their suggestions. Comments received included:

- * Change to "normally not detected by routine inspection."
- * I would add to your definition that not only was the defect hidden, but that it also existed at the time of final acceptance.
- * Should be oriented to defect's capability to be detected, not whether it is or not.
- * Simple enough for all to understand!
- * I believe the contract requirements are so definitive in today's business world that the term "latent defect" can be eliminated.
- * As a shocker why not drop "latent" and use "hidden."

- * A sense of "appropriateness for the situation" needs to be added in regard to the definition's term "routine test."

The researcher feels that only minor adjustments are needed for the general definition and that it will suffice for all applications.

c. Proposed definition based upon responses:

LATENT DEFECT

A defect in a good or item that existed at the time of buyer acceptance, but was not discovered by reasonable inspection.

- * **Synonyms:** Concealed defect, Hidden defect, Dormant defect.
- * **Antonyms:** Patent defect, Obvious defect.

12. Logistics

a. Definition synthesis:

Three sources were used to synthesize this term's definition for the survey. All three were in close agreement, making the synthesis straight forward. Expectations were high that there would be little disagreement among the CPCM professionals surveyed. The definition as synthesized was:

LOGISTICS: The branch of military science and operations dealing with the procurement, supply, and maintenance of equipment; with the movement, evacuation, and hospitalization of personnel; with the provision of facilities and services and related matters.

Synonyms: None.

Antonyms: None.

b. Results:

As expected, concurrence from respondents with the synthesized definition was high (74%) and the rate of

comments was considered fair (34%). Twenty-five of 38 respondents concurred without comment. An additional three agreed, but provided minor comments. The remaining 10 disagreed with the definition as presented and provided comments to justify their position. The majority of comments focused on two areas, (1) procurement of systems is not part of logistics, and (2) the definition as written does not adequately address the area of spare parts. Comments received included:

- * Logistics does not include the procurement functioned... such as system acquisitions.
- * Logistics should assure life-cycle spares.
- * The definition should be clean and simple. There is always the problem in confusing the process with organizational functions/responsibilities. They are not usually the same.
- * From contractor's point of view should include reference to technical data/technical orders.
- * Need to get "procurement" out of definition. Sounds like you are procuring systems and you're not. Maybe "purchase of support equipment."
- * Procurement here does not apply to initial design and production.

As a result of the comments received and some additional research the proposed definition has been rewritten to provide clarification.

c. Proposed definition based upon responses:

LOGISTICS:

(1) Military logistics: The science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations which deal with: the determination of initial and follow-on requirements and the procurement, storage, transportation, distribution, maintenance, quality control, and disposal of material and related services for military forces.

(2) Business logistics: The art of managing the flow of materials and products from source to user.

* Synonyms: None.

* Antonyms: None.

13. Patent Defect

a. Definition synthesis:

Three sources were consulted in the synthesis of this term's definition. All sources were in agreement as to the meaning of "patent defect." The definition as synthesized was:

PATENT DEFECT: A defect existing at the time of acceptance that is discoverable by reasonable inspection.
Synonyms: Obvious, Plain, Evident.
Antonyms: Latent.

b. Results:

Agreement with the synthesized definition was very high (88%), while the rate of respondent comment was only moderate (33%). Twenty-eight of 42 respondents agreed with the definition without comment. Nine others agreed, but provided comments and five disagreed. Most comments were directed to the possible need to expand the meaning of "reasonable inspection." Most felt that "reasonable

inspection" was too broad and did not convey the concept of inspection and operational test at the subassembly/assembly level during acceptance. Comments received included:

- * A reasonable inspection consists of those tests that are ordinarily performed on the particular item in order to determine whether or not it is acceptable.
- * "Reasonable" has many definitions depending on your point of view, it's subjective.
- * Although the definition is acceptable ... devices tested at the next higher assembly may expose a defect which the parties agree is patent, but not identifiable when accepted at the lower level subassembly.
- * Change to "by required or reasonable inspection of a prudent person."
- * Could also be a "blatant" defect in specifications, wherein the contractor has the duty to notify the Government and request clarification prior to award.

For the sake of clarity that part of the proposed definition dealing with reasonable inspection will be expanded.

c. Proposed definition based upon responses:

PATENT DEFECT:

A defect existing at the time of acceptance that is readily discoverable by reasonable inspection or operational test.

- * **Synonyms:** Obvious, Evident.
- * **Antonyms:** Latent.

14. Prime Contractor

a. Definition Synthesis:

Five sources were used to synthesize a definition for this term. The sources differed somewhat in their definition. Differentiation between general and Governmental interpretation caused some difficulty in arriving at a synthesized definition for each. The definition as synthesized was:

PRIME CONTRACTOR: (Gen) The principal (or only) . contractor performing under contract. (Gov) An individual, partnership, company, corporation or association who enters into a written agreement with the Government to perform work or furnish supplies.
Synonyms: Principal, Lead.
Antonyms: Subcontractor,

b. Results:

Agreement with the synthesized definition was high (74%) as was the percentage of survey respondents submitting comments (57%). Eighteen of 42 respondents agreed with the definition without comment. Thirteen others also agreed, but submitted comments. The remaining 11 respondents disagreed with the definition as synthesized. Comments from those that indicated that they were or were not in agreement centered on two areas: (1) the need to include the prime contractor's responsibility to perform and the privity of contract, and (2) the possibility of joint ventures where more than one contractor is involved in a commitment to the Government under the same contract. Comments received include:

* Add "...having overall legal responsibility for

performance."

- * There does not appear to be a need for a Government definition.
- * The prime controls how the work is done and is the party obligated to perform.
- * I don't think "prime" contractor is applicable to non-government contracts.
- * I question the general definition since there can be more than one prime contractor to the Government on a project or program.
- * The synonyms convey also the concept of leader/follower where more than one contractor could be a prime; which is not the same as a prime/sub relationship.

Both areas of comment are judged to have merit and would serve to clarify the proposed definition and further differentiate "prime" from "subcontractor." The Government's position with regard to joint ventures is that although more than one firm may be a team member there is one principal contractor who acts as an integrator or lead.

c. Proposed definition based upon responses:

PRIME CONTRACTOR:

An individual, partnership, company, corporation or association who enters into a contract directly with the Government to perform services or furnish supplies; solely responsible for it's completion.

- * **Synonyms:** Principal, Lead.
- * **Antonyms:** None.

15. Procuring Contracting Officer (PCO)

a. Definition synthesis:

Six sources were used to arrive at this term's synthesized definition. All six covered various aspects of what was judged to be this term's comprehensive definition, but no single source captured the full meaning. This resulted in some difficulty in synthesizing a definition for the survey. The definition as synthesized was:

PROCURING CONTRACTING OFFICER (PCO): The Government agent designated by warrant, having the authority to obligate the Government, who directs and administers the procurement through contract negotiation, award, and signing of contractual documents. Administration of the contract after award may be delegated by the PCO to an Administrative Contracting Officer (ACO).
Synonyms: None.
Antonyms: None.

b. Results:

Agreement with the synthesized definition was very high (83%) even though there was a significant amount of comment (55%). Nineteen of 42 respondents agreed with the definition as presented without comment. An almost equal number (17) also agreed but included comments. The remaining seven respondents disagreed with the synthesized definition and provided comments to substantiate their assessment. The comments were directed at two areas: (1) the PCO actions listed in the definition did not adequately cover all the discrete functional areas covered by the PCO. The actions of requirements determination, acquisition planning, solicitation, and source selection should have been included,

and (2) the inclusion of the reference to the ACO was unnecessary and confusing to the proper definition of PCO. Comments received included:

- * Expand PCO to include requirements definition, acquisition planning, source selection plan and solicitation phases.
- * It seems to me that there are discrete phases of a procurement: pre-award, award, post-award, and contract close out. I think I would prefer referring to these phases rather than the ones you picked.
- * It is OK. Key is the signing of the documents. Probably a lot of variation on involvement in other duties as listed in the definition.
- * OK as long as the total procurement cycle is covered.
- * ACO will probably have it's own definition. Keep PCO simple.
- * Don't confuse the issue as to the roles of PCO and ACO.

The criticisms raised by respondents have merit. The proposed definition should be written to include all major phases of the procurement process to show the PCO's full range of responsibilities. Also in order to balance the definition's reference to ACO, a reference to Terminating Contracting Officer (TCO) should be added.

c. Proposed definition based upon responses:

PROCURING CONTRACTING OFFICER (PCO):

The Government agent designated by warrant or position, having the authority to obligate the Government, who

directs and administers the procurement through acquisition planning, solicitation, selection, negotiation, award, signing of contractual documents, contract administration, and contract closeout. Administration of the contract after award may be delegated by the PCO to an Administrative Contracting Officer (ACO). In the event that contract termination is necessary, this function may also be delegated by the PCO to a Termination Contracting Officer (TCO).

* Synonyms: None.

* Antonyms: None.

16. Qualified Products List (QPL)

a. Definition synthesis:

Seven sources were used to synthesize a definition for this term. All sources consulted were in agreement as to the meaning of the term and differed only in their level of detail. Synthesis of this term was straight forward and it was expected that there would be a high degree of agreement from survey respondents. The definition as synthesized was:

QUALIFIED PRODUCTS LIST (QPL): A list of products that, because of the length of time required for test and evaluation, are tested in advance of actual procurement to determine which supplies, by brand name, manufacturer, and test reference, can comply properly with specification requirements.

Synonyms: None.

Antonyms: None.

b. Results:

As expected agreement by survey respondents was high (81%) and comments were very limited (31%). Twenty-nine of 42 respondents agreed without comment. An addition five agreed while including comments. The remaining eight respondents who disagreed with the synthesized definition

also provided comments. Most comments focused on the fact that the survey definition failed to convey that one of the major purposes of the QPL was to expedite procurement by limiting solicitations to prequalified suppliers. The remaining comments dealt with the addition or removal of words to suit the preference of the respondent. Comments received included:

- * The purpose of the QPL is to ensure that the quality parts or items are procured from prequalified suppliers to avoid testing on every procurement.
- * Definition should address interchangeability of QPL manufacturers.
- * The list is a by-product. Definition should spell out what the purpose is of the system. A means of expediting purchases of supplies by limiting solicitations to suppliers who's product has been predetermined as acceptable under the QPL procedures.
- * My experience at Defense Industrial Supply Center with electrical wire and cable was that cost to test was a reason to QPL as much as possible.

This researcher believes that a minor rewording can be accomplished that will more clearly convey the importance of manufacturer as well as product in this program. Additionally, even though the FAR definition was used as a primary synthesis source, it's meaning was considered too basic to convey the intended benefits of the program.

c. Proposed definition based upon responses:

QUALIFIED PRODUCTS LIST (QPL):

A list of products, by manufacturer, that because of the length of time required for acceptance test and evaluation, are tested in advance of actual procurement to determine which can comply with specification requirements.

* Synonyms: None.

* Antonyms: None.

17. Sole Source

a. Definition synthesis:

Six sources were used to synthesize this term's definition. It was difficult to synthesize a definition for "sole source" because most sources took a simplistic approach of stating what a sole source was (single source) rather than defining it in terms of the broader implications that "sole source" suggests. The definition as synthesized was:

SOLE SOURCE: Characterized as the one and only source, regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contractual award.

Synonyms: Single, One, Exclusive.

Antonyms: Multi-source, Competitive.

b. Results:

Agreement with the synthesized definition was high (73%) among respondents and the percentage offering comments (51%) was considered very good. Eighteen of 37 agreed with the survey definition without comment. Nine likewise agreed, but also offered comments. Ten disagreed with the definition and stated their reasons. The majority of commenting respondents who disagreed with the definition as synthesized

confused the terms "sole source" and "single source." They missed the former's connotation of being the only real choice in a marketplace where several apparent choices exist.

Comments received included:

- * This is a very narrow definition of sole source, as it should be.
- * There is sometimes the possibility that another source exists or may be evolving, which is not known during solicitation.
- * For procurement purposes sole source can mean to use only one source even if other sources are available.
- * Sole source findings require market surveys. Therefore, the marketplace must be considered. Delete words "Regardless of the marketplace."

On the basis of the majority of responses, it is judged that the synthesized definition properly conveys the consensus understanding of CPCM professionals.

c. Proposed definition based upon responses:

SOLE SOURCE:

Characterized as the one and only source, regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award.

- * **Synonyms:** Exclusive source, Non-competitive source.
- * **Antonyms:** Competitive source.

18. Subcontractor

a. Definition synthesis:

Eight sources were consulted in the synthesis of this term's definition. The large number of references drawn from Government, private sector, and legal sources caused some difficulty in synthesizing a definition for "subcontractor" because of the diverse perspective of the sources. It was felt that a definition which was closer to the consensus of legal sources was the best approach. The definition as synthesized was:

SUBCONTRACTOR: Any person who contracts to do a piece of a job for another person who has a contract for a larger piece or the whole job.

Synonyms: None.

Antonyms: Prime contractor.

b. Results:

Agreement with the essential meaning of the synthesized definition was high (73%), however, there was considerable comment (59%) from respondents. Seventeen of 41 agreed with the definition as written without comment. Thirteen agreed and 11 disagreed with the synthesized definition while providing comment. Comments received were directed at three areas: (1) the need to expand the definition to include organizations, (2) differentiate the broader Government meaning from the more restrictive private sector meaning with respect to suppliers and jobbers, and (3) replace "job" with the more up-to-date term "statement of

work (SOW)." Comments received included:

- * Note that companies in the private sector, (construction), often refer to only those companies who do part of the "work" as subcontractors and those who furnish lumber, etc. as vendors or suppliers.
- * "Person" doesn't include companies.
- * Subcontractor doing work under a statement of work (SOW) and working to a specification; not to be confused with a vendor delivering NDI products.
- * Add reference to "contracting for an effort in response to a statement of work."
- * "Larger piece" or "whole job" are not precise enough. Only one prime, remainder are "subs."

In response to the comments received, it seems appropriate to expand the proposed definition to clearly indicate this term's application to more than just "person". Additionally, the consensus to meld this term's Government and private sector connotations without losing the essence of the synthesized definition can be satisfied with the use of broader terms.

c. Proposed definition based upon responses:

SUBCONTRACTOR:

Any entity which contracts to perform part of a contract for another who has a contract for either a larger part of the effort or the entire contract.

- * **Synonyms:** Sub-tier contractor.
- * **Antonyms:** Prime contractor.

19. Vendor

a. Definition synthesis:

Eight sources were used to synthesize this term's definition. All sources defined "vendor" from somewhat different viewpoints. The legal sources oriented their definitions toward "seller" while Government sources defined in terms of "supplier." It was difficult to fashion both viewpoints into a single comprehensive definition. The researcher decided to synthesize the survey definition in terms of the less restrictive concept of "supplier" rather than "seller." It was expected that the synthesized definition would result in considerable comment. The definition as synthesized was:

VENDOR: An individual, manufacturer, wholesaler, or agent from whom are acquired items in the performance of a contract.

Synonyms: Supplier, Dealer, Merchant.

Antonyms: Buyer.

b. Results:

General agreement with the synthesized definition was good (71%), however, as expected, the number of respondents providing comments was very high (71%). Eleven of 38 respondents agreed with the definition as written without providing comment. Of those remaining who provided comments, 16 agreed and 11 disagreed with the definition. The great majority of those providing comments agreed with the essence of the synthesized definition, but felt that additional sources and a reference to "services" should be

added. Additionally, many respondents suggested synonyms.

Comments received included:

- * Add dealer to the list of sources.
- * Remove wholesaler while adding dealer and merchant.
- * Vendors provide items other than contract chargeables.
Add..."a contract or the overall operations of a company."
- * What about distributors? Add goods and services.
- * The term supplier should be used. Vendor does not properly connate the business.
- * Why not drop "vendor" and use "seller"?

In response to a consensus, minor changes have been made in the proposed definition. The intent has not been altered.

c. Proposed definition based upon responses:

VENDOR:

An individual, distributor, manufacturer, or agent from whom items or services used in the performance of a contract are acquired.

- * **Synonyms:** Supplier, Dealer, Merchant, Seller.
- * **Antonyms:** Buyer, Purchaser.

20. Waiver

a. Definition Synthesis:

Synthesis of a definition for this term involved the use of six sources. All sources were virtually identical in there definition of this term. However, this researcher decided that the definition should also bring attention to

the special circumstances the U.S. Claims Court has created for Federal contract waivers. No difficulty was encountered in the synthesis of this term. It was expected that survey results would indicate a high degree of acceptance of the synthesized definition. The definition as synthesized was:

WAIVER: (1) (Gen) A written authorization to accept a configuration item or other designated items, which during production or after having been submitted for inspection, are found to depart from specified requirements, but nevertheless are considered suitable for use "as is" or after rework by an approved method.

(2) (Gov) DE FACTO waiver can result when the Government fails to reject non-specification items in a reasonable period of time or place them in use prior to rejection.

Synonyms: None

Antonyms: Deviation.

b. Results:

Although acceptance of the synthesized definition was high (76%) a significant amount of comment was also generated (57%). Eighteen of the 42 respondents agreed with the survey definition without comment. An additional 14 respondents also agreed, but included comments. The remaining 10 respondents disagreed with the definition provided in the survey and provided comments. The majority of comments both from those who agreed and disagreed faulted the synthesized definition for being too narrow and not including other situations where "waiver" applied. Most felt that "waiver" also applied to delivery schedule, terms and conditions, bids, and the ability to enforce a right. Several respondents pointed out that "deviation" was not a synonym for "waiver" and in fact the two terms had several

things in common. Comments received included:

- * Definition is too narrow-this is only one kind of waiver.
- * Too broad. Presume it is meant to address minor non-conformances, but waiver also applies to late deliveries and lack of progress.
- * Definition is too limiting legally.
- * Shorten and differentiate between a "waiver" and a "deviation."
- * Definition should speak to the impact on the contractor, who pays for the rework, etc.

The proposed definition was revised to reflect the full range of situations under which "waiver" applies in the contracting arena. Although some respondents questioned the need for inclusion of the Government specific situation in the definition it was retained to draw attention to a unique and not uncommon occurrence.

c. Proposed definition based upon responses:

WAIVER:

(1) A written authorization to accept a product or service which, during production, after delivery or prior to performance completion is found to depart from specified requirements, but nevertheless is considered suitable for use "as is" or after correction. (2) In Federal contracting a DE FACTO waiver can result when the Government fails to reject items within a reasonable period of time or places them in use.

- * **Synonyms:** None.
- * **Antonyms:** None.

C. SUMMARY

This chapter presented the research, data collection, and analysis of the 20 selected terms. Questionnaire responses to synthesized definitions were used to develop revised definitions including synonyms and antonyms if applicable. A summary of all revised definitions, synonyms and antonyms are included in Appendix C.

III. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

This chapter presents conclusions and recommendations developed from this thesis effort. It deals with the difficulties, observations, and solutions encountered during the synthesis and validation of the definitions and synonyms/antonyms for the 20 selected terms. Further, it answers the primary research question posed at the beginning of this thesis, addresses follow on research, and summarizes the chapter.

B. CONCLUSIONS

In as much as this is a well traveled follow on to previous research efforts conducted by students at NPS and AFIT the conclusions arrived at by the researcher were not unexpected. Conclusions drawn by Ryan, Florek, Downs, and Robinson remain valid with one exception.

1. The product of this thesis will add to the body of knowledge which makes up the contracting discipline.

[Ref. 1:p. 79] [Ref. 3:p. 51] [Ref. 4:p. 58]

[Ref. 2:p. 64]

The definitions of the 20 terms in this thesis in combination with the those resulting from the efforts of previous researchers have made considerable progress in completing the initial phase of developing a dictionary of contracting terms. Such a dictionary, upon which agreement

can be reached, will serve as a foundation of the contracting discipline. Additional follow on research is needed to select and define additional terms germane to the acquisition and contracting field.

2. The observations of questionnaire respondents reflected a concern for the continued development of the contracting discipline. [Ref. 1: p. 79] [Ref. 3:p. 52] [Ref. 4:p. 59] [Ref. 2:p. 65]

The enthusiasm shown by the exceptional number of respondents' comments to the questionnaire is indicative of the desire of contracting professionals to contribute to the existing body of knowledge. Several asked to be included in any future surveys; volunteered to collaborate on future projects; and expressed a keen interest in receiving a copy of the completed dictionary of terms when published.

3. There is not universal agreement concerning the meaning of most terms. [Ref. 1:p. 80] [Ref. 3:p. 52] [Ref. 4:p. 59] [Ref. 2:p. 65]

It is obvious to anyone who reads the comments accompanying responses to the questionnaires that there is a great deal of latitude in interpretation of contracting terms. Even the definitions of terms which were a matter of record in Government publications were subject to dispute.

4. The procedure used in this thesis to achieve consensus on term definitions as used in contracting

is valid. [Ref. 1:p. 80] [Ref. 3:p. 52] [Ref. 4:p. 59] [Ref. 2:p. 65]

Although evolving, the basic methodology used by each researcher has proven its merit through good questionnaire response rates and the sound logical principle of involving those most knowledgeable in the validation of the output. Additional modifications to this methodology are covered in this chapter's recommendations.

5. The inclusion of synonyms and antonyms contributed very little to the thesis. [Ref 2:p. 66]

In an effort to improve questionnaire performance in this area and based on observations made from reader response to the Contract Management article concerning A Dictionary of Contracting Terms, [Ref. 5:p. 41], the researcher, unlike those before, included synonyms and antonyms in the questionnaires. This resulted in a response rate of approximately 25% for all synonyms and antonyms. While the results were not as good as hoped for, it indicates the course to follow to improve this important aspect of a term's total definition.

C. RECOMMENDATIONS

1. The terms analyzed in Chapter II should be characterized as non-controversial and added to those of previous research to be incorporated into the contracting dictionary.

All the terms of this thesis achieved a good consensus

(78% average) even though most generated a great deal of comment. The overwhelming majority of comments were constructive in nature and involved wordsmithing to achieve clarification or subtle connotative improvements.

2. Existing synonyms and antonyms for each term should be included in the questionnaires to aid respondents and improve response rates for this aspect of the term's definition.

The professionals that are being asked to review and comment on the questionnaires were very likely to have difficulty in finding time to effectively consider and call to mind synonyms and antonyms. Just as the effort was made to increase response rate by limiting each questionnaire to five terms, the same underlying principle is at work in providing respondents with synonyms/antonyms to choose from and asking for comments.

D. RESEARCH QUESTION

The primary research question was:

To what extent can standard meanings be arrived at in the evolving field of contracting in which words are used with various meanings?

Ryan's response to this same question in his thesis remains valid:

A 100 percent agreement on an exact definition for any given contracting term is not likely to occur, but a definition which represents a consensus can occur with success as demonstrated by the results of this thesis.

Definition consensus is realistically achievable in a fixed amount of time utilizing published definitions and glossary "explanations" as the basis for synthesized definitions which can be subjected to criticism of a representative body of practitioners. [Ref. 1:p. 83]

This thesis and the preceding efforts represent the initial steps in providing the contracting discipline with a universally accepted language whose aim is to simply make communication within the discipline easier by removing misunderstandings. The next step is more difficult: convincing those with long histories of habit to accept the consensus definitions. This is the challenge for those of us who work in the dynamic world of contracting.

E. GENERAL COMMENTS

Robinson's use of the CPCM/CACM list to identify respondents remains an excellent tactic. The quality and quantity of responses received from this group of professionals were thought provoking and vital to the success of this thesis' stated aim of identifying a consensus definition for the selected terms.

In regards to a determination of the final proposed definition based upon responses: the researcher endeavored to maintain the integrity of the synthesized definition if it was supported by a consensus. With few exceptions, changes that were made were done so only when there was compelling evidence from a significant number of respondents that the synthesized definition was deficient in some area. The

exception arose when a respondent recommended a change to the synthesized definition that, although neglected by all other respondents, was significant and the researcher felt it should be incorporated into the final product.

F. SUMMARY

This chapter presented conclusions and recommendations that developed from this thesis effort. It addressed the research question and provided suggestions to follow on researchers for dealing with the strengths and weaknesses of the methodology and general process of this project.

The completion of a comprehensive dictionary of acquisition and contracting terms is a worthwhile project and will make a significant contribution to the profession. Involvement in this challenging project has been worthwhile.

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APPENDIX A: PUBLISHED DEFINITIONS

This appendix details the 20 candidate terms and provides a listing of the published definitions used in the synthesis of the questionnaire. The following terms were examined:

- | | |
|--------------------------------------|---------------------------------------|
| * Agent | * Latent Defect |
| * Agreement | * Logistics |
| * Arbitrary and Capricious | * Patent Defect |
| * Bidder | * Prime Contractor |
| * Buyer | * Procuring Contracting Officer (PCO) |
| * Consultant | * Qualified Products List (QPL) |
| * Deviation | * Sole Source |
| * Head of Contracting Activity (HCA) | * Subcontractor |
| * Industrial Plant equipment (IPE) | * Vendor |
| * Justification and Approval (J&A) | * Waiver |

AGENT

- * One who acts for or in the place of another by authority from him; may act for a principle as an authority. [Ref. 15:p. 1]
- * Representative. [Ref. 9:p. 29]
- * A military service or agency thereof which provides supplies or services to another military service or agency. [Ref. 14:p. 31]
- * A person authorized by another to act for him, one entrusted with another's business. One who represents and acts for another under the contract or relation of agency. A business representative, whose function is to bring about, modify, affect, accept performance of, or terminate contractual obligations between principal and third persons. One who undertakes to transact some business, or to manage some affair, for another, by the authority and on account of the latter, and to render an account of it. One who acts for or in place of another by authority from him; a substitute, a deputy, appointed by principal with power to do the things which principal may do. [Ref. 10:p. 59]
- * A person requested or permitted by another person to act for him or her; a person entrusted with another's business. [Ref. 6:p. 16]
- * As distinguished from a servant, an agent in the ordinary sense has authority to deal with third persons and to affect his principal's contractual relations with third persons, subject to the principal's right to control the manner of the agent's performance. [Ref. 7: p. 32]

AGREEMENT

- * A contract duly executed and legally binding: the language or instrument embodying such a contract. [Ref. 18:p. 19]
- * An arrangement that is accepted by all parties to a transaction. A contract or other document delineating such an arrangement. (law) an expression of assent by two or more parties to the same object. The phraseology, written or oral, of an exchange of promises. [Ref. 20:p. 40]
- * A term used in procurement to designate a written instrument of understanding between a Department or procuring activity and a contractor. Which sets forth the negotiated contract clauses which shall be applicable to future procurements entered into between the parties during the term of the basic agreement. Particular procurements are covered by the execution of a formal contractual document which will provide for the scope of the work, price, delivery, etc. and shall

incorporate by reference or append the contract clauses agreed upon in the basic agreement. [Ref. 14:p. 32]

- * An intention of two or more persons to enter into a contract with one another, combined with an attempt to form a valid contract. [Ref. 6:p. 17]
- * A manifestation of mutual assent by two or more persons to one another. [Ref. 8:p. 12]
- * The consent of two or more persons concurring respecting the transmission of some property, right, or benefits, with the view of contracting an obligation, a mutual obligation. [Ref. 10:p. 62]
- * (agreement/contract) the former may refer either to an informal arrangement with no consideration (eg. a "gentlemen's agreement") or to a formal legal arrangement supported by consideration. Contract is used only in this second sense. [Ref. 9:p. 30]
- * A duly executed and legally binding contract. [Ref. 15:p. 1]

ARBITRARY AND CAPRICIOUS

- * A determination made willfully by whim or caprice; unreasonable, changeful, and tyrannical; used as in "arbitrary and capricious action" to express irrational disregard of facts or circumstances. [Ref. 15:p. 2]
- * Subject to individual will or judgement without restriction, contingent solely upon one's discretion: capricious, unreasonable, unsupported. Caprice-a sudden, unpredictable change, as of one's mind or the weather. A tendency to change one's mind without apparent or adequate motive. [Ref. 20:p. 310, 107]
- * With no purpose or objective-randomly chosen. [Ref. 9:p. 59]
- * Done according to a person's desires, without supervision, general principles, or rules by which to decide. Done capriciously, in bad faith, or without good reason. [Ref. 6:p. 19]
- * Characterization of a decision or action taken by an administrative agency or inferior court meaning willful and unreasonable action without consideration or in disregard of facts or without determining principle. [Ref. 10:p. 96]

BIDDER

- * One who submits a response to an IFB. [Ref. 15:p. 3]
- * One who makes a bid. One who offers to pay a specified price for an article offered for sale at a public auction or to perform a certain contract for a specified price. [Ref. 10:p. 147]
- * Offeror to perform what was solicited. [Ref. 7:p. 46]
- * Any offeror bidding pursuant to an invitation for bids or a request for proposals. [Ref. 8:p. 28]

BUYER

- * A person who buys or contracts to buy goods. [Ref. 8: p. 37]
- * Vendee. [Ref. 9:p. 562]
- * One who pays; a purchaser, a person who buys or contracts to buys goods. [Ref. 10:p. 181]
- * An assistant to a purchasing manager or contracting officer, generally responsible for processing bids and conducting negotiations with vendors; normally recommends procurement actions, but is not authorized to award contracts. [Ref. 15:p. 4]

CONSULTANT

- * A person having education and/or experience which uniquely qualifies then to preform some specialized service. [Ref. 15:p. 7]
- * Government or non-government personnel called upon by the SSAC (source selection advisory council), SSEB (source selection advisory board), or SSA (source selection authority) to furnish expert advice on highly specialized matters and on the solution of particular problems. [Ref. 14:p. 157]
- * A person who gives professional or expert advice. [Ref. 20:p. 437]

DEVIATION

- * An authorization-granted before the fact-to depart from a design specification requirement. If an existing federal or military specification does not meet an agency's need deviations may be authorized by the agency under strictly limited conditions. [Ref. 11:p. 7-6]
- * A specific written authorization, granted prior to the manufacture of an item, to depart from a particular performance or design requirement of a contract specification or a referenced document for a specific number of units or specified period of time. A specific written authorization, granted prior to the manufacture of the item involved, to depart from a particular performance or design requirement of a contract, specification, engineering drawing or other document for a specific number of units or a specified period of time. A deviation differs from an engineering change in that an approved engineering change requires corresponding revision of the Instruction defining the affected item, whereas an authorized deviation does not contemplate revision of the applicable requirement document (e.g., specification or drawing). [Ref. 14: p. 225]
- * No contracting application. [Ref. 10:p. 211]
- * Same as reference 14. [Ref. 16:p. 38]
- * Same as reference 14. [Ref. 17:p. 18]

HEAD OF CONTRACTING ACTIVITY (HCA)

- * The agency head authorized to contract for supplies and services. May be delegated to major command heads within an agency. [Ref. 17:p. 27]
- * The agency head authorized to contract for supplies and services. May be delegated to major command heads within an agency. Title is by virtue of position. [Ref. 16:p. 56]
- * That official, intermediate between the head of the agency and the contracting officer, who has the responsibility for supervision and direction of the procuring activity. (FPR 1-1.206). Includes the chief, commander, or other official in charge of a procuring activity. (ASPR 1-210.7). [Ref. 8:p. 139]
- * The designated person who has overall management authority for a purchasing office or a contracting activity. [Ref. 15:p. 15]

INDUSTRIAL PLANT EQUIPMENT (IPE)

- * That part of planned equipment exceeding defined acquisition cost thresholds, used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating or otherwise altering the physical, electrical or chemical properties of materials, components or end items, entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations. [Ref. 16:p. 60]
- * Same as reference 16. [Ref. 14:p. 344]
- * Same as reference 16. [Ref. 22:p. 435]

JUSTIFICATION AND APPROVAL (J&A)

- * The written facts supporting the reason for awarding a contract without competition. [Ref. 9:p. 420]
- * Required for most non-competitive contract awards [Ref. 16:p. 68]
- * A written document approved and signed by an authorized government official justifying a decision by technical and requirements personnel which recommends other than full and open competition. [Ref. 19:p. 6.3]

LATENT DEFECT

- * One that is hidden from the knowledge as well as from the sight and which could not be discovered by ordinary and reasonable care or by reasonable inspection. [Ref. 11:p. 13-12]
- * Hidden; not easily discovered. [Ref. 6:p. 177]
- * The want or absence of something necessary for completeness or perfection; a lack or absence of something essential to completeness; a deficiency in something essential to the proper use for the purpose for which a thing is to be used. One which is not

apparent to buyer by reasonable observation. [Ref. 10: p. 794]

- * A flaw or other imperfection in an article discovered after delivery to the Government. Such defects are inherent weaknesses which are normally not detected by examination or routine test but which are present at the time of manufacture. [Ref. 14:p. 384]

LOGISTICS

- * The science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations which deal with: design and development, acquisition, storage, movement, distribution, maintenance, evacuation, and disposition of material. The determination of initial and follow-on requirements and the procurement, storage, transportation, distribution, maintenance, quality control, and disposal of material and related services for the military forces. [Ref. 14:p. 401]
- * The branch of military science and operations dealing with the procurement, supply and maintenance of equipment with the movement, evacuation, and hospitalization of personnel, with the provision of facilities and services and with related matters. The planning, implementation and coordination of the details of a business or other operation. [Ref. 20:p. 1131]
- * Same as reference 14. [Ref. 17:p. 32]

PATENT DEFECT

- * Open evidence, plainly visible. [Ref. 6:p. 222]
- * A defect which is apparent to the buyer on normal observation. [Ref. 10:p. 1013]
- * A defect existing at the time of acceptance that is discoverable by reasonable inspection. [Ref. 11:p. 13-12]

PRIME CONTRACTOR

- * The party to a building contract who is charged with the total construction and who enters into subcontracts for such work as electrical, plumbing and the like. [Ref. 10:p. 1072]
- * The principal (or only) contractor performing under contract. Could include not only the principal, who acts as integrator or lead, but other major contractors teaming or performing in concert with the integrator. [Ref. 16:p. 98]
- * Same as reference 16. [Ref. 13:p. A-7]
- * An individual, company, firm, or corporation which enters into a written agreement with the government to perform work or furnish supplies. (MIL-STD-130A). An individual, partnership, company, corporation, or

association who enters into an agreement with the Government to perform work or furnish supplies (AFR 57-6). [Ref. 14:p. 538]

PROCURING CONTRACTING OFFICER (PCO)

- * Contracting officer who awards the contract or directs changes and additions. [Ref. 8:p. 73]
- * The government agent designated by a warrant having the authority to obligate the government. The procuring contracting officer negotiates and signs the actual contract document. Administration of the contract after award may be delegated to an administrating contracting officer (ACO). [Ref. 13:p. A-8]
- * The government contracting officer who directs and administers the procurement through the award of the contract and the signing of the contractual documents. [Ref. 17:p. 42]
- * Same as reference 17. [Ref. 16:p. 100]
- * The individual which is appointed under appropriate authority for the purpose of negotiating and executing contracts on behalf of the U.S. Government. [Ref. 14: p. 547]

QUALIFIED PRODUCTS LIST (QPL)

- * A list of products which have been examined, tested and have satisfied all applicable qualification requirements. [Ref. 19:p. 9.203]
- * Identify the specification; manufactured item by part, model number, or trade name, place of manufacture; and the test report involved. Suppliers whose products have successfully completed qualification testing and who furnish evidence thereof are eligible for award although not yet included on the QPL. [Ref. 17:p. 46]
- * A list of products that, because of the length of time required for test and evaluation, are tested in advance of procurement to determine which supplies comply with specification requirements. [Ref. 15:p. 25]
- * A list of products which are pretested in advance of actual procurement to determine which supplies can comply properly with specification requirements. This is most usually done because of the length of time required for test and evaluation. [Ref. 16:p. 112]
- * A list of prequalified products which are the only ones eligible for award of a particular Procurement Qualified Product-an item that has been examined and tested for compliance with specification requirements and qualified for inclusion in a QPL. Specifications which require a QPL are listed in the "DoD Index of Specifications and Standards," and the index of "Federal Specifications and Standards." [Ref. 11:p. 7-8]
- * A list of products qualified under the requirements

stated in the applicable specification, including appropriate product identification and test reference with the name and plant address of the manufacturer and distributor, as applicable. [Ref. 14:p. 563]

SOLE SOURCE

- * Characterized as the one and only source regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award. [Ref. 21:p. B-9]
- * Soliciting a proposal from only a single source (NAVMAT P-4215). [Ref. 14:p. 634]
- * Where only one bid is received, there is , of course, no competition, and unlike some state agencies or municipalities, federal agencies cannot use the fact that others "had a chance" to bid as only ground whatever that the price is reasonable. [Ref. 8:p. 250]
- * A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source. [Ref. 16:p. 124]
- * Same as reference 16. [Ref. 17:p. 51]
- * Same as reference 16. [Ref. 19:p. 44-1]

SUBCONTRACTOR

- * A person who contracts to do a piece of a job for another person who has a contract for a larger piece or for the whole job. [Ref. 6:p. 1]
- * Any person other than the United States who contracts, at any tier, to perform any part of a defense contractor's contract. [Ref. 8:p. 958]
- * A contractor who enters into a contract with a prime contractor or a subcontractor of the prime contractor. [Ref. 13:p. A-8]
- * A contractor who enters into a contract with a prime contractor. [Ref. 16:p. 130]
- * Refers generally to any firm that supplies materials or performs services for a prime government contractor. [Ref. 11:p. 21-2]
- * One who takes a portion of a contract from principal contractor or an other subcontractor. One who has entered into a contract, express or implied, for the performance of an act with the person who has already contracted for its performance. One who takes from the principal or prime contractor a specific part of the work undertaken by the principal contractor. [Ref. 10: p. 1277]
- * (supreme court)-A subcontractor includes anyone who has a contract to furnish labor or materials to the prime contractor. (usage in building trade)-One who performs for and takes from the prime contractor a specific part

of the labor or material requirements of the original contract, thus excluding ordinary laborers and materialmen. Subs may either be one tier below the prime or several tiers down. All tiers are generally assumed to be subcontractors unless the contrary is shown to be intended. [Ref. 12:p. 450-51]

- * Any supplier, distributor, vendor, or firm which furnishes supplies or services to or from a prime contractor or other subcontractor. An individual, partnership, company or association who contracts with the contractor to design, manufacture, or design and manufacture an item or items required in the performance of the contractor's contract. [Ref. 14:p. 664]

VENDOR

- * Seller. [Ref. 6:p. 318]
- * The person who has sold property to another. [Ref. 7:p. 315]
- * A person who sells or contracts to sell goods by passing the title or contracting to pass title from seller to buyer for a price. [Ref. 8:p. 242]
- * Seller is generally a better word, along with the corresponding buyer. [Ref. 9:p. 562]
- * An individual, partnership, corporation, or other entity from whom items are acquired in the performance of a contract. A design activity, manufacturer, wholesaler or agent from whom are acquired items used in the performance of a contract. An individual, partnership, company, corporation, or association who enters into an agreement with the prime contractor to perform work or furnish supplies. (NAVMATINST P4200.33). [Ref. 14:p. 735]
- * The person who transfers property by sale. Seller being more commonly used for one who sells personally. The later may, however, with entire propriety, be termed a vendor. [Ref. 10:p. 1395]
- * One who sells something; a "seller". [Ref. 15:p. 32]
- * An individual, partnership, corporation, or other activity which sells property to the military establishment. A vendor may supply a Government contractor. [Ref. 16:p. 145]

WAIVERS

- * An administrative action, after work has been completed, that authorizes acceptance of an item which, although not in full compliance with a particular requirement, is nevertheless considered acceptable. [Ref. 11:p. 7-6]
- * A written authorization to accept a configuration item or other designated items, which during production or after having been submitted for inspection, are found to depart from specified requirements, but nevertheless are

considered suitable for use "as is" or after rework by an approved method. (NAVSUP Pub 452). A deviation from the requirements of technical documentation or other technical data of a contract or order which does not result in a change to documentation. A variance from the requirements, drawings, specification, or other technical data of a contract or procurement directive made after an award of a contract that may, or may not, be reflected in a change to the contractual document, and is applicable only to that specific contract. A specific written authorization to accept designated items which, during production or after having been submitted for inspection, are found to depart from specified requirements, but nevertheless are considered suitable for use "as is" or after rework by an approved method. (NAVMATINST 4130.1). [Ref. 14:p. 737]

- * The renumeration, repudiation, abandonment, or surrender of some right, claim, privilege, or the opportunity to take advantage of some defect, irregularity, or wrong. [Ref. 10:p. 1417]
- * (fed contracts) The court of claims has held that "waiver" results from the Government's failure to terminate within a reasonable time after a contractor is delinquent on the scheduled delivery date or where the contractor is permitted to deviate from contract requirements. [Ref. 8:p. 422]
- * Same as reference 14. [Ref. 16:p. 145]
- * Same as reference 14. [Ref. 17:p. 57]

APPENDIX B. COVER LETTER, QUESTIONNAIRES,

This appendix contains the questionnaire cover letter and the four separate questionnaires. The questionnaires were sent to 400 CPCM/CACM professionals in mailings of one hundred each.

A. Cover Letter

CONTRACTING TERMINOLOGY QUESTIONNAIRE

Dear NCMA Professional,

The purpose of this questionnaire is to seek your assistance in obtaining a consensus on the precise definition of selected terms commonly used by contracting professionals.

This research is part of a continuing effort by Graduate students at the Naval Postgraduate School, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, to derive working definitions which best convey the meaning most acceptable to contracting professionals. When the project is completed, the definitions will be published in a professional dictionary of acquisition and contracting terminology. The dictionary has two purposes. First, to provide an educational tool for those unfamiliar with the acquisition process. Second, to be available as a reference document for those working in this field.

Attached to this cover sheet is a survey which contains five terms and their proposed definitions as derived from current contracting/law literature and government regulations.

Please review each of these five proposed definitions and indicate whether or not you agree it is a viable working definition. Please feel free to make changes you feel necessary or comment on any aspect of the term that the proposed definition does not adequately address. This may be done in any way that is legible to the researcher, such as lining out words or rewriting the entire definition. A short comment on any changes made would enable the researcher to understand your reasoning for the proposed change. Also, synonyms and antonyms have been included where applicable. Please comment on their appropriateness and/or add any additional examples you feel are important.

Your participation in this research project is greatly appreciated. It is requested that this survey be completed and returned prior to 7 September 1991. You will find an enclosed self-addressed stamped envelope for your convenience. If you need any additional information, LT Jon Cotters can be contacted by telephone at (408) 883-4111, or mail to:

LT Jon Cotters
SMC 2697
Naval Postgraduate School
Monterey, CA 93943

AGENT

A person authorized by a principal to deal with third persons and to affect the principal's contractual relations with third persons, subject to the principal's right to control the manner of the agent's performance.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: BROKER, DEPUTY, ATTORNEY

Antonyms:

Comments: _____

AGREEMENT

The written or oral intention of two or more persons to enter into an arrangement with one another which is either an informal arrangement without consideration or a formal legal arrangement (contract) supported by consideration.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: ARRANGEMENT, ACCORD, CONSENT

Antonyms: DISAGREEMENT, INEQUALITY

Comments: _____

ARBITRARY AND CAPRICIOUS

A determination contingent solely upon one's discretion willfully made with irrational disregard of facts or circumstances.

Is this an acceptable working definition? YES NO

If no, please comment: _____

Revised definition/comments: _____

Synonyms: ERRATIC, INJUDICIOUS

Antonyms: JUDICIOUS, CONSIDERED

Comments: _____

BIDDER

(1) (GEN) One who makes a bid. One who offers to pay a specific price for an article offered for sale at a public auction or to perform a certain contract for a specified price.

(1) (GOV) Any offeror bidding pursuant to an invitation for bids (IFB) or a request for proposal (RFP).

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: OFFEROR, APPLICANT

Antonyms: SELLER

Comments: _____

SOLE SOURCE

Characterized as the one and only source, regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contractual award.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: SINGLE, ONE, EXCLUSIVE

Antonyms: MULTI-SOURCE, COMPETITIVE

Comments: _____

Questionnaire (2)

BUYER

An assistant to a purchasing manager or contracting officer, generally responsible for processing bids and conducting negotiations with vendors; normally recommends procurement actions, but is not authorized to award contracts.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: PURCHASER

Antonyms: SELLER

Comments: _____

CONSULTANT

A person having education and/or experience which uniquely qualifies them to be called upon to furnish expert advice on highly specialized matters and on the solution of particular problems.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: ADVISOR

Antonyms:

Comments: _____

DEVIATION

A specific written authorization, granted prior to the manufacture of the item involved, to depart from a particular performance or design requirement of a contract, specification, or a referenced document for a specific number of units or a specific period of time.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: ALTERATION, DEPARTURE, CHANGE

Antonyms: CONTINENCE

Comments: _____

HEAD OF CONTRACTING ACTIVITY

The agency head or delegated official, authorized to contract for supplies and services, who has the responsibility for supervision and direction of the procuring/contracting activity.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms:

Comments: _____

SUBCONTRACTOR

Any person who contracts to do a piece of a job for another person who has a contract for a larger piece or the whole job.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms: PRIME CONTRACTOR

Comments: _____

INDUSTRIAL PLANT EQUIPMENT (IPE)

That part of planned equipment, exceeding defined acquisition cost thresholds, used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating or otherwise altering the physical, electrical or chemical properties of materials, components or other end items entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms:

Comments: _____

JUSTIFICATION AND APPROVAL

A written document approved and signed by an authorized government official justifying a decision by technical and requirements personnel recommending other than full and open competition for a procurement action.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms:

Comments: _____

LATENT DEFECT

(1) (GEN) A defect that is hidden from the knowledge as well as from the sight and which could not be discovered by ordinary and reasonable inspection.

(2) (GOV) A flaw or other imperfection in an article discovered after delivery to the Government, normally not detected by examination or routine test.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: CONCEALED, HIDDEN

Antonyms: PATENT

Comments: _____

LOGISTICS

The branch of military science and operations dealing with the procurement, supply and maintenance of equipment; with the movement, evacuation, and hospitalization of personnel; with the provision of facilities and services and related matters.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms:

Comments: _____

VENDOR

An individual, manufacturer, wholesaler, or agent from whom
are acquired items used in the performance of a contract.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: SUPPLIER, DEALER, MERCHANT

Antonyms: BUYER

Comments: _____

Questionnaire (4)

PATENT DEFECT

A defect existing at the time of acceptance that is discoverable by reasonable inspection.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: OBVIOUS, PLAIN, EVIDENT

Antonyms: LATENT

Comments: _____

PRIME CONTRACTOR

(1) (GEN) The principal (or only) contractor performing under contract.

(2) (GOV) An individual, partnership, company, corporation or association who enters into a written agreement with the Government to perform work or furnish supplies.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: PRINCIPAL, LEAD

Antonyms: SUBCONTRACTOR

Comments: _____

PROCURING CONTRACTING OFFICER (PCO)

The government agent designated by a warrant, having the authority to obligate the Government, who directs and administers the procurement through contract negotiation, award, and signing of the contractual documents. Administration of the contract after award may be delegated by the PCO to an Administrating Contracting Officer (ACO).

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: _____

Antonyms: _____

Comments: _____

QUALIFIED PRODUCTS LIST (QPL)

A list of products that, because of the length of time required for test and evaluation, are tested in advance of actual procurement to determine which supplies, by brand name, manufacturer and test reference, can comply properly with specification requirements.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms: _____

Antonyms: _____

Comments: _____

WAIVER

(1) (GEN) A written authorization to accept a configuration item or other designated items, which during production of after having been submitted for inspection, are found to depart from specified requirements, but nevertheless are considered suitable for use "as is" or after rework by an approved method.

(2) (GOV) DE FACTO waiver can result when the Government fails to reject non-specification items in reasonable period of time or place them in use prior to rejection.

Is this an acceptable working definition? YES NO

If no, please explain: _____

Revised definition/comments: _____

Synonyms:

Antonyms: DEVIATION

Comments: _____

APPENDIX C: PROPOSED DEFINITIONS BASED UPON THE
CONSENSUS PROCEDURE

This appendix presents this thesis final product definitions resulting from the research accomplished by using the consensus procedure.

AGENT

A person who is authorized to act on behalf of a principal and contractually (legally) bind the principal in business transactions; subject to limitations imposed by the principal. In the case of the Government, unauthorized commitments by its agents are not binding.

* **Synonyms:** Broker, Deputy.

* **Antonyms:** Free agent.

AGREEMENT

The written or oral intention of two or more parties to enter into an arrangement with one another which is in the form of either an informal arrangement, with or without consideration, or a formal legal arrangement (contract) supported by consideration.

* **Synonyms:** Accord, Understanding.

* **Antonyms:** Disagreement.

ARBITRARY and CAPRICIOUS

A discretionary decision made with irrational disregard for or willful ignorance of the actual facts or circumstances.

* **Synonyms:** Erratic, Injudicious.

* **Antonyms:** Judicious, Considered.

BIDDER

A firm offering to sell goods or services to a buyer in response to a solicitation.

* **Synonyms:** Seller, Proposer.

* **Antonyms:** Buyer.

BUYER

(1) As a role or function: An assistant to a purchasing manager or contracting officer, generally responsible for processing bids and conducting negotiations with sellers; normally provides recommendations for large dollar procurement actions while having limited authority to award small dollar contracts.

(2) As an entity in the buyer-seller relationship by: One who buys or contracts to buy goods/services.

* **Synonyms:** Procurement specialist, contract specialist.

* **Antonyms:** Seller.

CONSULTANT

A person having specialized education and/or broad experience which uniquely qualifies them to be called upon to furnish expert advice on highly specialized matters and recommend solutions to particular problems.

* Synonyms: Advisor, Expert, Subject Matter Expert (SME).

* Antonyms: None.

DEVIATION

A specific written authorization to a contractor, granted prior to or during the manufacture of an item or the performance of a service, to depart from a particular performance or design requirement of a contract, specification or a referenced document for a specific number of units or a specific period of time.

* Synonyms: Alteration, Departure.

* Antonyms: None.

HEAD of CONTRACTING ACTIVITY (HCA)

The Government agency head or delegated official, authorized to contract for supplies and services, who has the ultimate responsibility for supervision and direction of the procuring/contracting activity.

* Synonyms: Director of contracts.

* Antonyms: None.

INDUSTRIAL PLANT EQUIPMENT (IPE)

Plant equipment acquired by the Government, exceeding an established acquisition cost threshold, used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating or otherwise altering the physical, electrical or chemical properties of materials, components or other end items entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations.

* Synonyms: None.

* Antonyms: None.

JUSTIFICATION and APPROVAL (J&A)

A document, approved by an authorized Government procurement official, permitting other than full and open competition for a procurement action based on the recommendations of technical, requirements, contracting, and other similar acquisition personnel.

* **Synonyms:** None.

* **Antonyms:** None.

LATENT DEFECT

A defect in a good or item that existed at the time of buyer acceptance, but was not discovered by reasonable inspection.

* **Synonyms:** Concealed defect, Hidden defect, Dormant defect.

* **Antonyms:** Patent defect, Obvious defect.

LOGISTICS

(1) Military logistics: The science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations which deal with: the determination of initial and follow-on requirements and the procurement, storage, transportation, distribution, maintenance, quality control, and disposal of material and related services for military forces.

(2) Business logistics: The art of managing the flow of materials and products from source to user.

* **Synonyms:** None.

* **Antonyms:** None.

PATENT DEFECT

A defect existing at the time of acceptance that is readily discoverable by reasonable inspection or operational test.

* **Synonyms:** Obvious, Evident.

* **Antonyms:** Latent.

PRIME CONTRACTOR

An individual, partnership, company, corporation or association who enters into a contract directly with the Government to perform services or furnish supplies; solely responsible for it's completion.

* **Synonyms:** Principal, Lead.

* **Antonyms:** None.

PROCURING CONTRACTING OFFICER (PCO)

The Government agent designated by warrant or position, having the authority to obligate the Government, who directs and administers the procurement through acquisition planning, solicitation, selection, negotiation, award, signing of contractual documents, contract administration, and contract closeout. Administration of the contract after award may be delegated by the PCO to an Administrative Contracting Officer (ACO). In the event that contract termination is necessary this function may also be delegated by the PCO to a Termination Contracting Officer (TCO).

* **Synonyms:** None.

* **Antonyms:** None.

QUALIFIED PRODUCTS LIST

A list of products, by manufacturer, that because of the length of time required for acceptance test and evaluation, are tested in advance of actual procurement to determine which can comply with specification requirements.

* **Synonyms:** None.

* **Antonyms:** None.

SOLE SOURCE

Characterized as the one and only source, regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award.

* **Synonyms:** Exclusive source, Non-competitive source.

* **Antonyms:** Competitive source.

SUBCONTRACTOR

Any entity which contracts to perform part of a contract for another who has a contract for either a larger part of the effort or the entire contract.

* **Synonyms:** Sub-tier contractor.

* **Antonyms:** Prime contractor.

VENDOR

An individual, distributor, manufacturer, or agent from whom items or services used in the performance of a contract are acquired.

* **Synonyms:** Supplier, Dealer, Merchant, Seller.

* **Antonyms:** Buyer, Purchaser.

WAIVER

(1) A written authorization to accept a product or service which, during production, after delivery or prior to performance completion is found to depart from specified requirements, but nevertheless is considered suitable for use "as is" or after correction.

(2) In Federal contracting a DE FACTO waiver can result when the Government fails to reject items within a reasonable period of time or places them in use.

* **Synonyms:** None.

* **Antonyms:** None.

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